California Bar Association
Intellectual Property Section

Changes to Practice Before the Board of Patent Appeals and Interferences

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Main Changes

- Changes to the Rules
- Changes in the Law
- Changes in Interference Practice

Changes to the Rules

- New Rules of Practice before the Board of Patent Appeals and Interferences (BPAI) published at 69 Fed. Reg. 49959 (August 12, 2004) and 1286 OG 21 (September 7, 2004)
- **Effective date of new rules: September 13, 2004**
- For more information concerning the new rules of practice go to the BPAI web site at http://www.uspto.gov/web/offices/dcom/bpai/ and click on More information on BPAI Final Rule

New part 41 for rules relating to appeals and practice before BPAI:

- General Provisions – subpart A, §§ 41.1-41.20.
- *Ex Parte* Appeal – subpart B, §§ 41.30-41.54.
- *Inter Partes* Reexamination Appeal – subpart C, §§ 41.60-41.81.
- Contested Cases (including interferences) – subpart D, §§ 41.100-41.158.
- Patent Interferences – subpart E, §§ 41.200-41.208.

Significant Changes for *Ex Parte* Appeals:

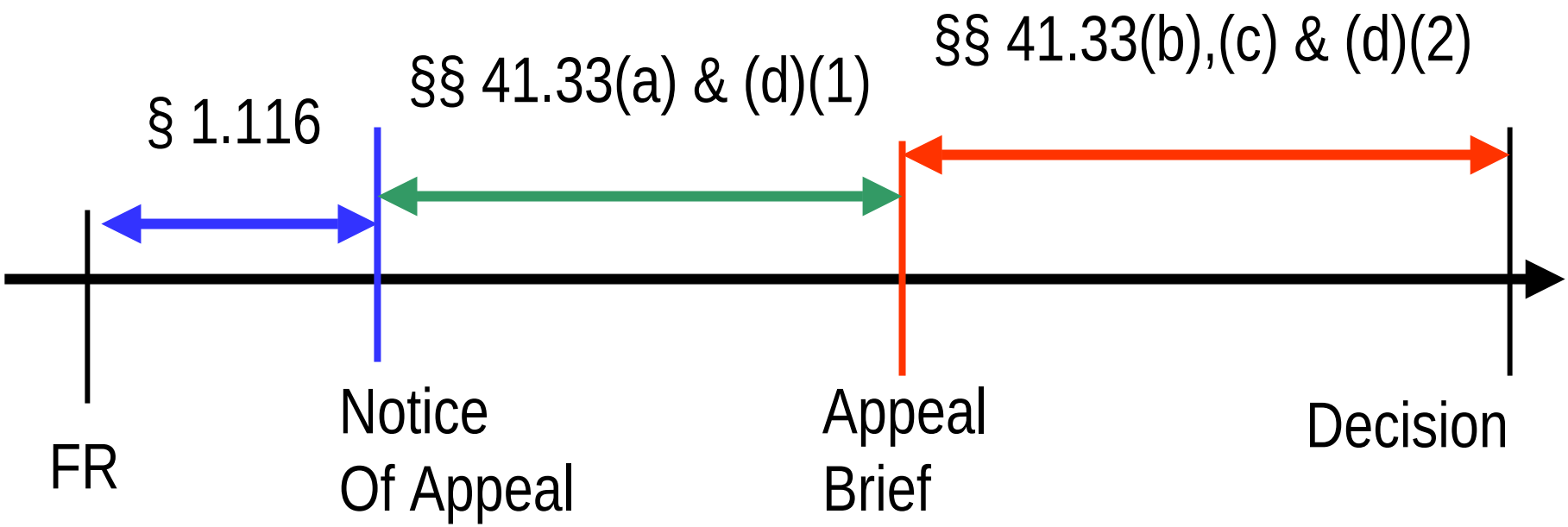
1. Revised requirements for the summary of the claimed subject matter section of the appeal brief (§ 41.37(c)(1)(v)).
2. Standards for entering amendments and evidence (e.g., affidavits) after appeal have been changed (§ 41.33).
3. Examiner's Answer may include a new ground of rejection (§ 41.39(a)(2)) and a Supplemental Examiner's Answer is permitted to respond to any new issue raised in the reply brief (§ 41.43(a)(1)).

Significant Changes for *Ex Parte* Appeals:

4. Evidence appendix and Related proceedings appendix now required items of an appeal brief (§ 41.37(c)(1)(ix)-(x)).
5. After a BPAI remand for further consideration of a rejection, if an examiner's answer is written, appellant may request that prosecution be reopened (§ 41.50(a)(2)(i)).

Amendment Practice

- The practice for **amendments** filed after final action, but prior to the date of filing a brief, has not changed (§§ 1.116 and 41.33(a)).
- Sections 41.33(a), (b) & (c) apply to amendments.
- Sections 41.33(d)(1) & (d)(2) apply to affidavits and other evidence.



Amendment Practice (continued)

- Section 41.33(b) provides that amendments filed on or after the date of filing an appeal brief may be admitted only to:
  - Cancel claims, where such cancellation does not affect the scope of any other pending claim in the proceeding, or
  - Rewrite dependent claims into independent form.
    - No limitation of a dependent claim can be excluded in rewriting that claim into independent form.

Affidavit/Evidence Practice

- Affidavits or other evidence filed after final action, but before or on the date of filing a notice of appeal (§ 1.116(e)), may be admitted upon a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented.
- Other evidence includes declarations and exhibits, but not IDSs (which are treated in accordance with §§ 1.97 and 1.98).

Affidavit/Evidence Practice (continued)

- Affidavits or other evidence filed after the date of filing a notice of appeal, but prior to the date of filing a brief (§ 41.33(d)(1)), may be admitted if the examiner determines that both a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented has been made and that the affidavit or other evidence overcomes all rejections under appeal.

- All other affidavits or other evidence filed after the date of filing a notice of appeal will generally not be entered (§ 41.33(d)(1)) except where applicant requests that prosecution be reopened after an examiner's answer or Board decision including a new ground of rejection; or after a supplemental examiner's answer written in response to a Board remand for further consideration of a rejection.

Summary of Claimed Subject Matter (§ 41.37(c)(1)(v))

- A concise explanation of the subject matter defined in each of the independent claims involved in the appeal, which refers to the specification by page and line number, and to the drawing, if any, by reference characters.
- For each independent claim involved in the appeal and for each dependent claim argued separately, every means plus function and step plus function must be identified, and the structure, material, or acts described in the specification as corresponding to each claimed function must be set forth with reference to the specification by page and line number, and to the drawing, if any, by reference characters.

New Appendices (§ 41.37(c)(1)(ix)-(x))

- Evidence appendix
  - Copies of any evidence entered and relied upon in the appeal along with a statement setting forth where in the record that evidence was entered in the record by the examiner.
  - Reference to unentered evidence is not permitted.
- Related proceedings appendix
  - Copies of decisions rendered by a court or the Board in any proceeding identified in the related appeals and interferences section.

Examiner's Answer (§ 41.39)

- A new ground of rejection is now permitted in an examiner's answer mailed on or after September 13, 2004 (§ 41.39(a)(2)).
  - A new ground of rejection should be rare, rather than a routine occurrence.
- Any new ground of rejection made in an answer must be:
  - Approved by a Technology Center Director or designee; and
  - Prominently identified (*e.g.*, a separate heading with all capitalized letters) in the Grounds of Rejection to be Reviewed on Appeal section and the Grounds of Rejection section of the answer.

Persons authorized to approve new grounds of rejections in an Examiner's Answer

http://www.uspto.gov/web/offices/dcom/bpai/fr2004/ngtcauth.pdf

Technology Center	Authorized Person(s)
1600	Directors only.
1700	Directors only
2100	Directors only
2600	Directors, SPREs, and Qas.
2800	Directors, Qas, Art Grimley, Georgia Epps, and Olik Chaudhuri.
2900	Directors only.
3600	Directors only
3700	Directors only.

Appellant options if examiner's answer includes a new ground of rejection (§ 41.39)

- If an examiner's answer contains a new ground of rejection, appellant must, within **two months**, either
  - Request that prosecution be reopened by filing a reply under § 1.111; or
  - Request that the appeal be maintained by filing a reply brief.
- The two month time period is not extendable under § 1.136(a).
- If appellant fails to take action, the appeal will be *sua sponte* dismissed as to the claims subject to the new ground of rejection.

Examiner's response to reply brief (§ 41.43)

- After receipt of a reply brief, the examiner can acknowledge receipt and entry of the reply brief.
- In addition, if a reply brief includes a new issue (e.g., appellant for the first time argues that the secondary reference is nonanalogous art), the examiner may:
  - Withdraw the final rejection and reopen prosecution; or
  - Furnish a supplemental examiner's answer responding to any new issue raised in the reply brief.

Examiner's response to reply brief (§ 41.43) (continued)

- A Technology Center Director or designee must approve every supplemental examiner's answer. Persons authorized to approve supplemental examiner's answer are the same persons who are authorized to approve new grounds of rejections in an Examiner's Answer (see slide 14).
- A supplemental examiner's answer responding to a reply brief may not include a new ground of rejection.

Reply brief (§ 41.41)

- Appellant may file a reply brief to an examiner's answer within **two months** from the mailing of the examiner's answer.
- If examiner provides a supplemental examiner's answer to respond to a reply brief (see § 41.43), appellant may file another reply brief within **two months** from the mailing of the supplemental examiner's answer (see § 41.43(b)).
- Extensions of time under § 1.136(a) are not available for filing a reply brief.

Decisions/actions by the Board (§ 41.50)

- Remand for further consideration of a rejection.
  - If a supplemental examiner's answer is written after such a remand, appellant must, within **two months**, either:

    1. Request that prosecution be reopened by filing a reply under § 1.111; or

    2. Request that the appeal be maintained by filing a reply brief.

  - If appellant fails to take action after a supplemental examiner's answer is written, the appeal will be *sua sponte* dismissed as to the claims subject to the rejection for which the Board has remanded for further consideration.

Changes in the Law

- Scope of the Claims
- Deference to the Facts
- Argument on the Record

Scope of the Claims

Analysis begins with a key legal question--what is the invention claimed? . . . Claim interpretation . . . will normally control the remainder of the decisional process.

Panduit Corp. v. Dennison Manufacturing Co., 1 USPQ2d 1593, 1597 (Fed. Cir. 1987)

Claim Construction

- How to use specification in interpreting claims
  - When are you interpreting claims in light of the specification

    or
  - Improperly reading a limitation into the claims.
- What should one start with and/or what should one give primacy to?
  - Dictionaries – Texas Digital (308 F.3d 1193 (2002)) and its progeny

    or
  - Specification – Vitronics (90 F.3d 1576 (1996))

Claim Construction

- But remember, USPTO interprets claims differently than courts, giving claims their "broadest reasonable interpretation."

  (see, e.g., In re Morris, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997))

Phillips v. AWH Corp. (en banc; decision pending)

- Patent for modular walls to be used in prisons
- Limitation at issue: “baffle means”, in context of steel baffles inside the walls
- Parties stipulated that “baffles” are a “means for obstructing, impeding, or checking the flow of something.”
- Majority (in opinion now withdrawn) rejected dictionary definitions and read in a negative limitation, i.e., that “baffle” did not include a baffle oriented at 90 degrees.
- Dissent (Dyk): Majority erroneously limited claims to preferred embodiment.

Claim Construction

- Unclear claim language is the cause for much patent litigation.
- The clearer the record reflects what claim terms mean– the less ability to argue alternate meanings in litigation
- One of the primary purposes of the examination process is to give notice to the public of the boundary lines of the property grant.

Claim Scope Determination

- Diagram the claim
- Review the specification and drawings for all the embodiments covered by the claim limitations
- Map the claim limitations to the specification and drawings
- Think about other possibilities in the prior art that also may be covered by the claim limitations

Deference of the Facts

The Federal Circuit states:

> "Although we have said we review decisions, not opinions,… like a district court opinion, a Board opinion must contain sufficient findings and reasoning to permit meaningful appellate review."

Gechter v. Davidson, 116 F.3d 1454, 1458, 43 USPQ2d 1030, 1033 (Fed. Cir. 1997)

Facts

"[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." In re Lee, 61 USPQ2D 1430, 1434 (Fed. Cir. 2002)

Who are the Fact Finders?

- The examiner is the initial fact finder. The facts and reasons relied upon by the examiner in maintaining the rejections in the Examiner's Answer are reviewed by a merits panel.
- However, the merits panel may conduct its own fact finding. Typically this results in a new ground of rejection under 37 CFR § 41. 50 (b) ("Should the Board have knowledge of any grounds not involved in appeal …, it may include … a statement … which statement constitutes a new ground of rejection.")

37 C.F.R. § 1.105 ("Requirements for information")

- The Director promulgated this rule in 2000, amended it in 2004
- under the rule, "the examiner . . . may require the submission . . . of such information as may be reasonably necessary to properly examine or treat the matter . . ."
- Rule provides examples of kinds of information
- Request under 1.105 requires SPE signature for some tech centers

Are the Fact established by substantial evidence

- Federal Circuit reviews the Board's ultimate conclusion of obviousness without deference, and reviews the Board's underlying factual determinations for substantial evidence.
- In re Huston, 64 USPQ2d 1801, 1806 (Fed. Cir. 2002) citing In re Gartside, 53 USPQ2d 1769, 1776 (Fed. Cir. 2000).

Substantial Evidence

"Mere denials and conclusory statements, however, are not sufficient to establish a genuine issue of material fact."

In re Dembiczak, 175 F.3d 994, 999 (Fed. Cir. 1999) citing McElmurry v. Arkansas Power & Light Co., 27 USPQ2d 1129, 1131 (Fed. Cir. 1993)

Substantial Evidence

"With respect to core factual findings in a determination of patentability…the Board cannot simply reach conclusions based on its own understanding or experience—or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record to support these findings."

In re Zurko, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001)

Core factual Findings--Anticipation

"Anticipation is established only when a single prior art reference discloses, expressly or under principles of inherency, each and every element of a claimed invention."

RCA Corp. v. Applied Digital System, Inc., 221 USPQ 385, 388 (Fed. Cir. 1984

Core Factual Findings--Obviousness

"It is well-established that before a conclusion of obviousness may be made based on a combination of references, there must have been a reason, suggestion, or motivation to lead an inventor to combine those references."

Pro-Mold and Tool Co. v. Great Lakes Plastics Inc., 37 USPQ2d 1626, 1629 (Fed. Cir. 1996)

Core Factual Findings--Obviousness

Our reviewing court requires the PTO to make specific findings on a suggestion to combine prior art references. Winner Int'l Royalty Corp. v. Wang, 53 USPQ2d 1580, 1586 (Fed. Cir. 2000) ("Whether motivation to combine references was shown we hold a question of fact.")

Core Factual Findings--Obviousness

When determining obviousness, "[t]he factual inquiry whether to combine references must be thorough and searching." In re Lee, 277 F.3d 1338, 1343, 61 USPQ2d 1430, 1433 (Fed. Cir. 2002), citing McGinley v. Franklin Sports, Inc., 262 F.3d 1339,1351-52, 60 USPQ2d 1001, 1008 (Fed. Cir. 2001). "It must be based on objective evidence of record." **Id.**

Core Factual Findings--Obviousness

"While this court indeed warns against employing hindsight, its counsel is just that—a warning. That warning does not provide a rule of law that an express, written motivation to combine must appear in prior art references before a finding of obviousness. Stated differently, this court has consistently stated that a court or examiner may find a motivation to combine prior art references in the nature of the problem to be solved."

Ruiz v. A. B. Chance Co., 69 USPQ2d 1686, 1690 (Fed. Cir. 2004)

The Argument and the Record

- Arguments not made may be waived

The Argument - Record

- Argument not made in the Brief may not be considered by the Board

  See 37 CFR § 41.37

- Argument not made before the Board may be waived at the Federal Circuit on Appeal

  See In re Berger, 61 USPQ 1523, 1529 (CAFC 2002)

Changes in Interference Practice

- Normally it is a patent vs application interference
- A count is determined to define interfering subject matter
- An applicant must show why it will prevail on priority 37 CFR § 41.202
- In establishing conception, “a party must show possession of every feature recited in the count, and that every limitation of the count must have been known to the inventor at the time of the alleged conception.” Hitzeman v. Rutter, 243 F.3d 1345, 1354, 58 USPQ2d 1161, 1167 (Fed. Cir. 2001)

Interferences

- It is well established that proof of actual reduction to practice requires demonstration that the embodiment relied upon as evidence of priority actually worked for its intended purpose, and
- It is equally well established that every limitation of the interference count must exist in the embodiment and be shown to have performed as intended.

  In Newkirk v. Lulejian, 825 F.2d 1581, 1582, 3 USPQ2d 1793, 1794 (Fed. Cir. 1987)

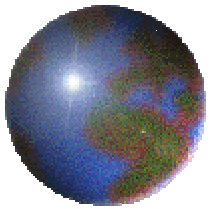
Conclusion

- Good appellant process addresses the panel's need to understand your invention and the prior art
- The Board of Patent Appeals and Interferences is a fact finding tribunal
- The factual findings are determined by the scope of claims
- The factual findings must extend to all material facts and must be documented on the record

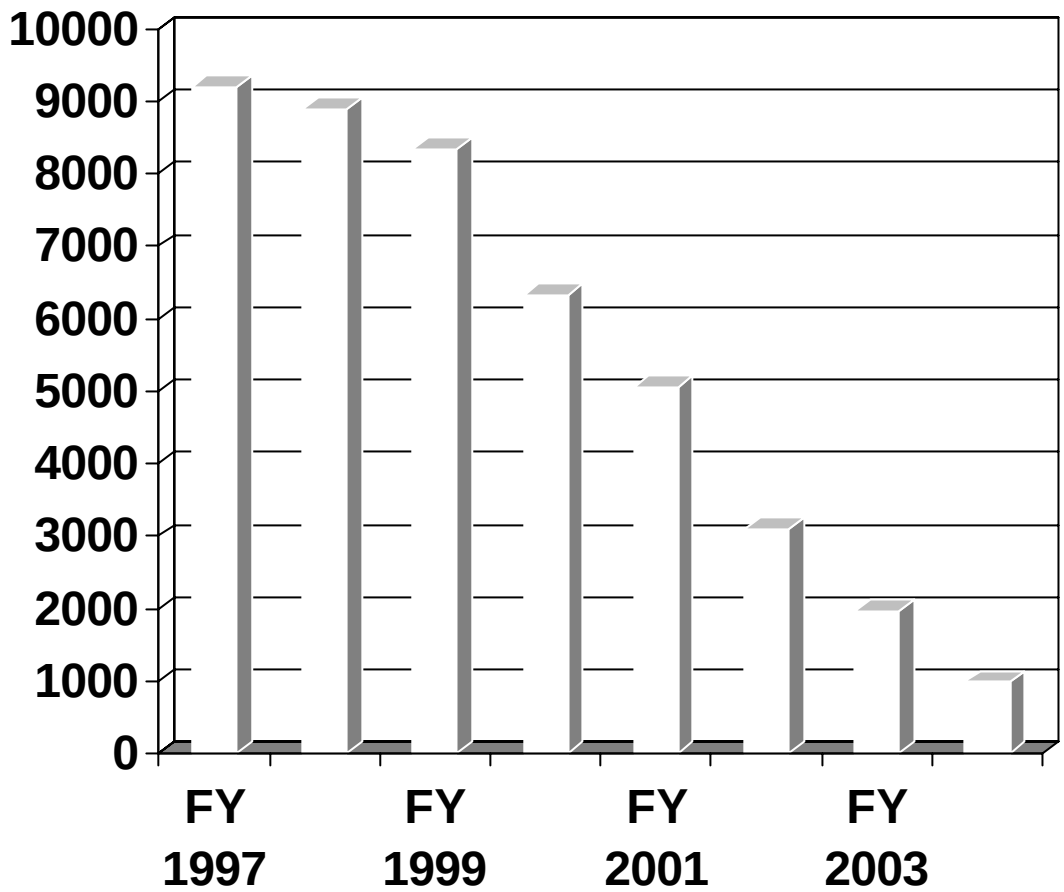
Conclusion

- A brief should address the Examiner's position and the scope of the claim
- Be sure that you have a compelling reason to request an oral hearing
- Federal Circuit reviews the Board's ultimate conclusion of obviousness without deference, and reviews the Board's underlying factual determinations for substantial evidence.

Thank You



Pending Appeals

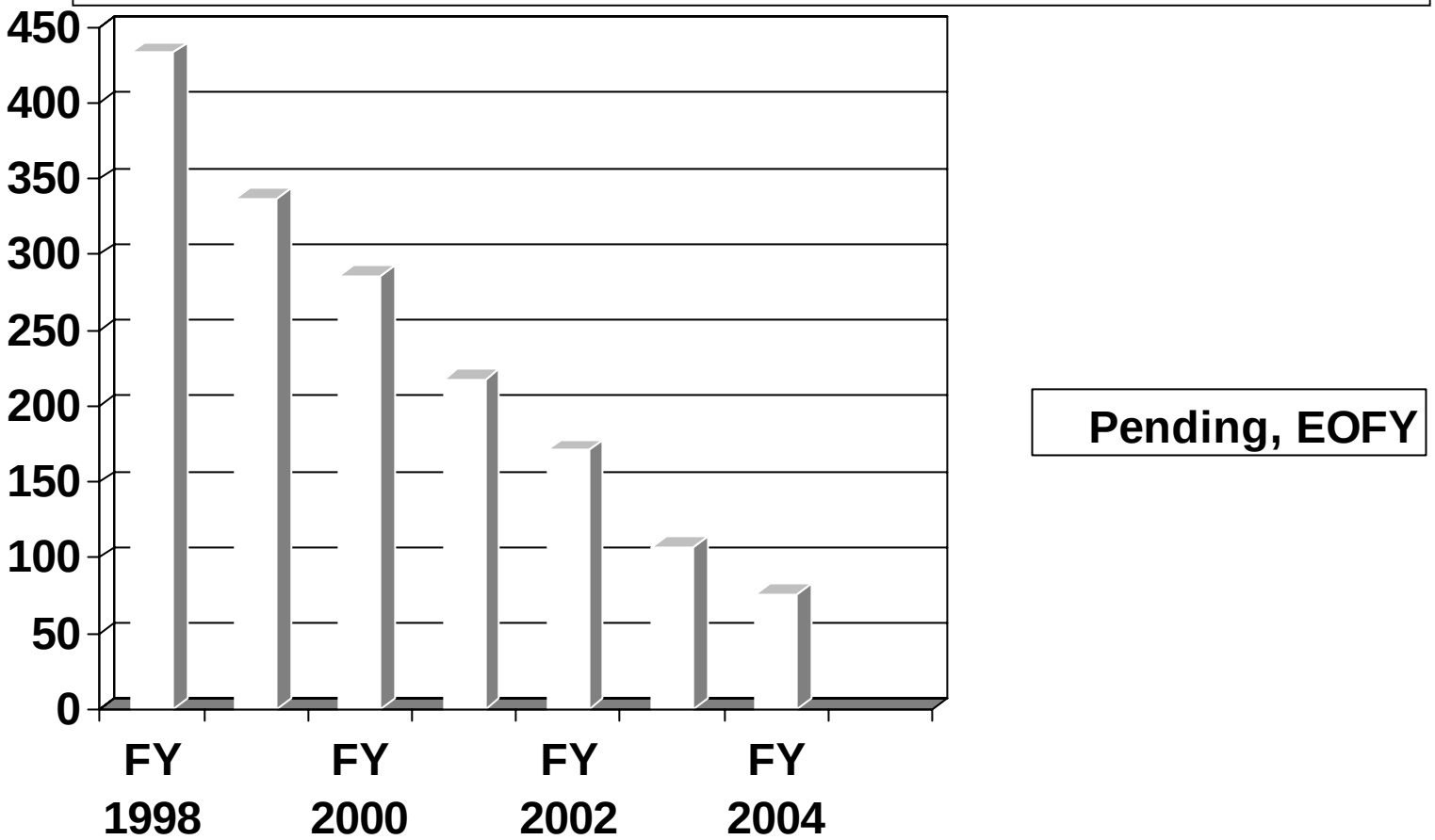


Patent Appeal Pendency (FY 2004)

Overall – 9.9 months

- Designs – 4.1 months
- Chemical – 4.8 months
- Mechanical – 6.4 months
- Biotechnology – 10.1 months
- Electrical – 14.0 months

Pending Interferences



Interference (FY 2004)

Final Judgments rendered in all remaining Pre-Trial Section Interferences

Average Interference Pendency (Trial Section) – 10.6 months

Trial Section Interferences Terminated within 2 years – 88.7%

Ex Parte Dispositions (FY 2004)

AFFD	MODIFIED	REV	PANEL REM	ADMIN	DISMISS
37.1	11.6	37.4	8.1	3.5	2.3